App.F.IX-4]

WD2239.B490.

1924-5

File No. 165-24

Previous References.

Dte 165-24 (4-7)
" 165-24 (1-2) & 3 (2 folios)
Dte 136-22 (1-2, 4-7) ; Dte 136-22 (3, 8)

Later references.

Dte 94-25 (1-8, 10-21) ; Dte 32-21 (1, 5, 11-13, 21)
Dte 17-23 (8, 9, 11 & 12)

Serial Nos. 7 a & 8

GENERAL & REVENUE SECRETARIAT

Serial Nos. 250

Part B for 1925

SUBJECT

Request of the Mysore Premier metal factory Ltd Bangalore city for the grant of certain concessions in the matter of the repayment of the loan due by it

Dte 128-9 J 4.7.25

To

Director I and C (ii) Comptr Thro'
H. Secretariat:
Chairman Board of Directors
Premier Metal factory

Passes orders granting concessions to the ——————

G. R. S. 59]

GENERAL AND REVENUE SECRETARIAT.

19/3.

File No. 104-13

Serial Nos. 21 & 22

Papers Filed.

Month Nov 13

SUBJECT.

Grant of land to Sri Ganapathy temple, Kandakadu Chavakacheri.

PREVIOUS REFERENCES.	LATER REFERENCES.
	8

A. Kumaraswamy
Recorder 25-11-13

(For Disposal at a Meeting)

No. C. 422
of 1924-25.

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Clause xii of the Schedule)

Request of the Mysore Premier Metal Factory Ltd., Bangalore City for the grant of certain concessions in the matter of repayment of the loan due by ~~them~~ it.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

21st April 1925.

Offg. *Chief Secretary to Government.*

Extraordinary Member of Council.

497/22-4 **First Member of Council.**

8599/23/4 **Second Member of Council.**

Extra Member of Council.

APP. F. III—2]

General and Revenue Secretariat.

File No. 3782/1 of 19 .

Serial No.

The following Collections are obtained & put up.

(1) I & C 32-21-21 - re the final transfer of the factory to Private enterprise.

(2) I. & C 136-22-467 re rebate of Rs 215 on the price fixed.

(3) do - 389 re permission to the Company to pay the balance of purchase money in 3 instalments

(4) 17-23-627 re the postponement of the date of payment of 1st instalment of balance

(5) 17-23-8412 re postponement of the date of payment of 1st instalment. &

Dealt with Refer to Orders on P. 2d.

11/4 Ag Secy

12/4/25

20. APR. 1925 7828

The request of the Company is that Government may accept, in lieu of cash in repayment of the loan of Rs 1,19,015 due by it, the shares of the Company of the face value of that amount which, it is stated, represents the value of ~~the~~ machinery. Government have disposed of this concern and acceptance of shares, as proposed by the Company, is practically to re-assume about half its proprietorship. I think

NOTE—Contn. Sheet

Serial No.

think that it is inadvisable to take back industries pioneered by Government and made over to private enterprise.

The debt of Rs 1,19,015 is made up of two loans: (1) Rs 82,784 representing the balance of the value of the concern purchased by the Company, and, (2) Rs 36,231 representing the value of the machinery for manufactures of measures which the Company took over on hire-purchase terms. The second loan is an independent transaction and I do not see the need for allowing any concession in respect of it.

The case of the first loan is, I think, different. It represents a part of the cost of the Concern which the Government had incurred and for which the Company has now made itself liable. Had the Concern continued to be worked by Government, this part of the capital would have remained unproductive on the assumption —which I think is reasonable — that the Factory would have worked at a loss under Government management as it has actually done under private management. This consideration shows that the request of the Company for some concession has some force. The question to be settled is what concession can reasonably be allowed. The Factory requires relief, apparently in two respects: (1) interest on the loan,

and

Serial No.

and (2) time for repayment. As for interest, I think it may be waived for a limited period during which the Factory is unable to pay it on account of its having worked at a loss. I would fix the ~~time~~ limit at three years.

As regards the extension of time for repayment of the balance of ~~the~~ price money still due, I would suggest that the first instalment of Rs 32,784 which was due on the 31st December 1923 and which was then postponed to 31st December 1924 may be further deferred until 31st December 1925 and the other two instalments may also be put off and required to be paid in December 1926 and December 1927.

It is necessary to tell the Company that Government cannot show any more concessions and that it should seriously think of increasing its resources to enable it to repay its dues to Government on the appointed dates.

DEWAN.)

20/4/25

Refd.
With refce. to the request of ~~the~~ Mr V. Rangaswami Iyengar for permission for a deputn. from the Company to wait on the Dewan, an interview has been promised to them on Friday 24th. These papers will be put up for refce. at the time.

26/4/25

Council Section.
Circulate.
21.4.25

Maybe considered when Early meeting of the C

4-4

To the chief Secy with compts

21/4/25

NOTE—Contn. Sheet

Serial No.

I agree with the opinion
Engineer-in-Chief for
the
(Through the case
relating to my post
I have not passed through me)

c 452

A deputation on behalf of the share-holders of the Mysore Premier Metal Factory, Bangalore City, consisting of the following gentlemen waited upon the Dewan on the 24th April 1925:--

Rajasabhabhushana Dewan Bahadur K.P. Puttanna Chetty.
Mr. V. Rangaswami Iyengar.
" " M.Chengiah Chetty.
" M.V. Coopooswamy Chetty.
" K. Narayana Iyengar.
" A. Madhaviengar.
" V. Aiyaswami Iyer.
" M.V. Subbiah.
" B. Subbarama Chetty.
" K.G. Pasupathy Aiyar.

Mr. Puttanna Chetty as the spokesman of the Deputation presented the Dewan with a printed petition, enclosed in the file, requesting Government to be graciously pleased to accept the shares of the company for and in liew of the amounts owing to them by the Company. He said that the total amount due to Government from the Company was Rs. 1,19,015 made up of two items, viz.,

Rs. 82,784	representing the balance due on account of the purchase money which the company promised to pay Govt. and
Rs. 36,231	representing the value of machinery made over by Govt to the company on hire-purchase system for the manufacture of measures.
1,19,015	

He said that the affairs of the Company were not in a very flourishing condition and for the last three years, the company has been sustaining losses. The future prospects were however hopeful on

account of the growing demand for the class of goods manufactured by the factory. He therefore urged that Government should convert the amount due to them into shares whose face value was equivalent to the amount due, for the following reasons:--

1. The factory is a premier institution and has gained much experience and commands a fairly steady market.

2. In the present state of its finances, it is impossible for the factory to repay the amounts in instalments as they had already undergone losses during the last three years.

3. At the time of purchasing the factory, from Government, the machinery was overestimated and the stock valued at the then market rate which has fallen considerably since. As such, the sale price of the factory was inflated.

4. In the present state of the money market as well as of the prospects of the company, it is not possible to raise capital from the public by calling for shares to repay the Government loan.

The Dewan in reply briefly reviewed the requests for concessions made by the company from time to time and said that Government have always been willing to help them in difficult situations. The first order regarding concessions in this behalf was passed three years ago in March 1923 wherein some time was given to them for the repayment of the first instalment of the loan. Subsequently time was again given till January 1924. The last representation was made in February 1924 praying for the extension of time for payment of the first instalment till June 1925 and for waiving

the interest on the balance due and also the amount payable towards good will. Time was extended till December 1924, but the request regarding waiving of interest and good will was not sanctioned.

While appreciating their difficulties, the Dewan said that the present request was a novel one. All along, the company asked for time and agreed to pay the loan in cash. For Government now to agree to their request would mean a change in their policy. To convert the amount due to Government which represents the purchase money, into shares is to make Government a partner in the concern which they have handed over to a private enterprise, and would mean necessarily a certain amount of participation in the business and interference in other ways. The present policy of Government was to be detached and give encouragement in other ways.

As regards the contention that the sale price of machinery and stock was inflated, the Dewan said that it was not fair to question the prices now. At the time of sale, the company agreed to the prices and if the value has now depreciated, it is not the fault of Government. Therefore, as regards that part of the request, he could give them no hope, but if they require relief in other directions such as grant of time up to a particular limit say, 2 or 3 years for paying back their instalments, he was prepared to consider their request. He also said that Government would favourably consider the question of waiving the

the interest for a particular period.

Mr. Puttanna Chetty again represented that in consideration of the high prices they had paid for the machinery and stock, Government should show more substantial concessions to the company either by writing off a certain proportion of the sale price or by converting the total amount due into shares. The Dewan replied that he could not see how it helped the company by Government taking the shares. The alternative requests - urged were untenable. If the price paid by the company was not fair, how could they ask Government now to take shares to the full extent of the amount due? On the other hand, if it was fair, how could they ask Government to write off a certain proportion? Moreover, it is difficult to show off losses of the company as bad debts on the asset side of the Government budget.

Government are already participating in the future prospects of the company in that a large amount of their money was involved in the concern By a mere paper conversion of loan into shares, the position of the Government could neither be better nor worse. On the other hand, the company stands nothing to gain. The affairs of the company would be complicated by Government becoming partners in the business. The Dewan finally advised them to develop the business part of the concern by widely advertising their goods in the various business centres.

The utmost Government could do was to waive a portion of interest due and give further time.

9

Government would consider these matters as favourably as possible and pass orders.

Approved by Dewan & enclosed in the file concerned for consideration in Council.

Bro.

Esmond Gordon

Private Secy to The Dewan

25.4.25.

Chief Secretary (with Complts)

~~Cf. Circulate.~~ ~~hm 25.4.25~~ 1st & 2nd members.)

hm 25.4.25.

8726 28/4

27/4 hm

26 27/4/25 hm

10

Extract from the Proceedings of the 738th *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 28th May 1925. *19* .

206. Subject. - Clause xii of the schedule.

Request of the Mysore Premier Metal Factory, Ltd., Bangalore City, for the grant of certain concessions in the matter of repayment of the loan due by it.

OPINION OF THE COUNCIL.

The Financial Secretary's recommendations may be accepted.

(Signed) A. R. BANERJI,

Dewan of Mysore.

"EXTRACT"

S Ramaswamy

Chief Secretary to Government.

Submit to the 1st Member for financial note.

Final

29.5.25

WD 1471—GPB—2,000—1-3-21

C. 422

General and Revenue Secretariat. | File No. | of 19 . | 11

Serial No.

Finance Note in pencil

8/6

S. N. Sahd.

Dewan)

Note

8/6/25

Final Note by the First Member of Council.

Subject:—

Request of the Mysore Premier Metal Factory, Ltd.,Bangalore, for the grant of certain concessions in the matter of the ~~re~~-payment of its dues to Government.

The fixed assets, finished stock and goods in process and the good-will of the Mysore Government Metal Factory which was handed over in August 1921 to a private joint stock company called "The Mysore Premier Metal Factory, Ltd." were valued at Rs.1,62,300 in G.O. No.5860-61/32-21-11 dated 22nd May 1921 and the Company which had by that time paid Rs.1,00,000 was required to pay the balance of Rs.62,300 in two instalments. Subsequently the value of two presses which had been handed over to the company by the Government and ~~the value of~~ which had not been included in the valuation of the fixed assets settled in the Government Order referred to above was fixed at Rs.23,040-14-8 (G.O. No.708-9/I. & C.32-21-21 dated 27th July 1922). The Company had thus to pay Government - - - Rs.85,340-14-0. On a representation subsequently made by the Company, a rebate of Rs.2,556-14-0 was sanctioned on the valuation of the floating assets (G.O. Nos.4767-68/I. & C.136-22-4 dated 31st January 1923 and 5372-3/I. & C. dated 27th February 1923) and under the circumstances explained in Rajamantrapravina Mr. P. Raghavendra Rao's Final Note dated 29th February 1923, the Company was permitted to pay the balance of Rs.82,784 in three annual instalments commencing from 31st December 1923, the amount bearing interest at 7½ per cent per annum.

E & O

S

The Company did not pay the first instalment on the due date i.e. 31st December 1923, and in February 1924, a representation was made by them to Government that the Factory had been working at a loss ever since it was taken over from Government, owing to

the fall in the price of the metal and to other initial difficulties which the concern had to contend against, that time might therefore be allowed till the end of June 1925 to pay the first instalment, that the interest on the dues to Government might be waived and that the amount payable towards good-will might be excused. The Company was thereupon permitted to pay the first instalment which was due in December 1923 along with the next one payable on 31st December 1924; but the other request of the company regarding waiving of the interest and the price of good-will was refused. (G.O. No.6503-4/ I. & C.17-23-12 dated 21st April 1924.) The Company have however, not made any payment till now in accordance with this order. The Directors of the Company waited on the Dewan on the 24th April 1925 and submitted a representation stating that as the Company was still working at a loss they were not in a position to make any payment towards the Government dues and requesting that Government may accept the amount due to them in the form of fully paid up shares of the Company instead of in cash. The Dewan gave the Directors to understand that Government could not comply with their request as it would practically make Government a partner in the concern which had been already handed over to private enterprise and that the question of granting them some concession in respect of the payment of the amount due to Government as well as the interest thereon would be considered. The Financial Secretary was then consulted as to the concessions which may be shown to the Company, and he has, in his note dated 20th April 1925, proposed that the interest on the balance of purchase money might be waived and that the time for its repayment might be extended, the first instalment being made payable on 31st December 1925, and the two subsequent instalments on 31st December 1926 and 31st December 1927 respectively.

Pages 1 to 3 of office Note

The question was discussed at the meeting of the Council held on 28th May 1925 when it was resolved that the Financial Secretary's recommendation might be accepted.

Page 10 of do

15

Submitted to His Highness.

I submit herewith a Final Note by the.....First.....

Member of Council on the subject of..request..of..the..Mysore Premier Metal Factory, Ltd., Bangalore, for the grant of certain concessions in the matter of the payment of its dues to Government, -

for His Highness' gracious approval.

Dewan.

1925

16

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Grant of certain concessions to the Mysore Premier Metal Factory, Limited, Bangalore, in the matter of payment of dues to Government.

759

Order.

~~KRW~~

11/6/25

17

C422

General and Revenue Secretariat.

Request of the Mysore Metal Factory Ltd., Bangalore city for the grant of certain concessions in the matter of repayment of the loan due by it.

(*)

31. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at headquarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to the Members of Council for perusal of

*

His Highness' orders $\frac{\text{before}}{\text{after}}$ issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Chief Secretary to Govt.

Through the Secretary to Government.

.....Department.

230/15 6

FIRST MEMBER OF COUNCIL. Draft ord[illegible] for one [illegible] for approval 2 15/6.

SECOND MEMBER OF COUNCIL.

10027/15/6

THIRD MEMBER OF COUNCIL.

MP 15/6 Rev. Secy., with Comps. 16/6/25

Ans 17/6/25

ntn. sheet.

Mono WD 1190—GPB—500 9-1-23.

6-158 (18

General and Revenue Secretariat.

I&E File No. 165 of 1924

Serial No.

Draft G.O. sent up

17.6.25 for appl

Rev Sec'y

17.6.25

WD 17/6

20/6

WD 20/6

Lpoh 22.6

Draft recd copies

for typing draft in

places in the file

25/6

WD 25/6

Issue

26/6/25

FINANCIAL SECRETARIAT

JUL 1925

H 30-25

Financial Secn: has agreed (page 3)

H.H. has approved the proposals.

Draft & fair copies of G.O. Communicating Lubel

4.7.25

Ly. to the Comptroller

H 92 dated 4.7.25

8 To Director of Ste.

Comptroller and Financial Secretary

Chairman of the Board of Directors

Premier Motor Factory

I.C. 128-9 By 4.7.25

Passes order granting certain concessions

NOTE—Contn. Sheet

19

G.R.S. III-2 Jtc File No. 165 of 19 24 General and Revenue Secretariat

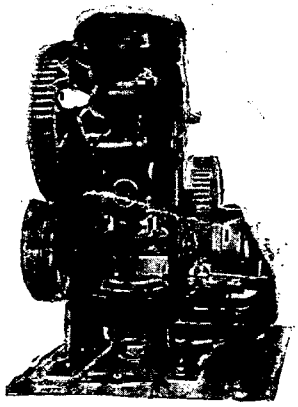
in the matter of repayment of loan due by the Premier Metal Factory and sanction on extension of time for the repayment for a further period of 3 years i.e till the end of December 1927 the first instalment being due on 31.12.1925

Serial No.

SECRETARIAT
7-JUL 1925
INDUSTRIES & COMMERCE
BRANCH.

NOTE—Contn. Sheet

3782 Pol. (Ser.) 138 9.4.25



Telegrams : "METALS"

Codes A.B.C. & Bentley's.

The Mysore Premier Metal Factory Ltd.,

No 1, Hoskote Road, BANGALORE City.

V. Rungasawmy Iyengar, A.C.E., B.C.E.,
(Retd. Director of Industries & Commerce)
Chairman, Board of Directors.

FACTORY & OFFICE
BANGALORE CITY.

BRANCHES
MADRAS and KUMBAKONAM.

MANUFACTURERS
of all kinds of seamless vessels
in polished brass and copper by Machinery
such as :—
Degchies, Lotas, Hundies, Kodams, Chomboos, Dining and Pansupari Plates.

Coffee and Tea Sets
Table ware.

Toilet requisites
such as
Basins, Jugs, Soap Trays &c.

Copper smiths, Tin smiths and Founders.

ELECTROPLATERS
Nickel, Silver and Gold.

415

SECRETARIAT
17 JUN 1925
INDUSTRIES & COMMERCE
BRANCH.

7th April 25

G. Sundara Rao Esq., B.A.,

Private Secretary to the Dewan of Mysore,

Public Offices, Bangalore.

Sure
Pvt. 8/4/25

Dear Sir,

In enclosing herewith a copy of our Memorial to the Government of Mysore, we request you to kindly present the same to the Dewan Sahib and let us know when he will be pleased to receive a small deputation of our Company.

Thanking you for an early reply,

For THE MYSORE PREMIER METAL FACTORY LTD.,

Yours faithfully,

V. Rungasawmy Iyengar

Chairman
Board of Directors.

Encl: Memorial

Very early.
Please get the
Connected file from New Secty
P.T.O. Secy 11/4/25

2

To

Albion Rajkumar Banerji, Esq.,

M. A., C. S. I., C. I. E., I. C. S.,

Dewansahib,

Government of His Highness

the Maharaja of Mysore,

BANGALORE.

Sir,

The shareholders of the Mysore Premier Metal Factory, Ltd., Bangalore City, beg leave to approach the Government of H. H. The Maharaja of Mysore, and to lay before them the following respectful and earnest representation for kind and sympathetic consideration and favourable orders:—

2. A general meeting of the shareholders of the Company was held on Monday the 29th September 1924. It was well attended and among the shareholders present were:—

(1) Dewan Bahadur K. P. Puttanna Chetty, Esq., C. I. E.,
(2) Dewan Bahadur K.S. Chendrasekhara Aiyer, Esq., B.A., B.L.
(3) Rao Bahadur Deshamukhi Shama Rao, Esq.
(4) V. Rungasawmy Iyengar, Esq., A.C.E., B.C.E.
(5) M. Chengiah Chettiar, Esq., B A.
(6) V. Aiyaswami Iyer, Esq., L C.E.
(7) K. Shankaranarayana Rao, Esq., M.A.B.L.
(8) K. G. Pasupathy Aiyer. Esq.

The Chairman of the Board of Directors, Mr. V. Rungasawmy Iyengar explained to the shareholders that in spite of strenuous endeavours made by the Directors the year's operations ended in loss and that the Government were pressing for the repayment of instalments and interest due. He said that the financial condition of the company had become a matter for the deep and anxious consideration of the shareholders and one of urgent importance. A general discussion took place in which all the shareholders took part.

Thereupon the following resolution was moved by Dewan Bahadur K. S. Chendrasekhara Aiyar and was unanimously passed :—

"That in consideration of the present financial circumstances of the Company, and both as an encouragement to an important premier industry which was taken over from the Government at a very high valuation fixed by them, and in order to inspire public confidence and thereby enable the Company to raise the fresh capital required, the Government be approached with a request that they will be graciously pleased to accept shares of the Company for and in lieu of the amounts owing to them by the Company."

REPRESENTATION.

3. The Mysore Premier Metal Factory Ltd., took over the Government Metal Factory in the latter part of 1921 and paid the Government Rs. 1,00,000 and agreed to pay the balance of Rs. 82,784-0-8 as follows :—

1st instalment of Rs. 32,784-0-8 on 31st Dec. 1923.
2nd instalment of Rs. 25,000-0 0 on 31st Dec. 1924.
3rd instalment of Rs. 25,000-0-0 on 31st Dec. 1925.

But as the Company was unable to pay the balance as stipulated for, a deputation of the Directors of the Company presented a memorial to the Government on the 1st February 1924 and prayed for certain concessions, the chief of them being :—

(*a*) the extending of the period of payment of the first instalment of Rs. 32,784-0-8 to June 1925.

(*b*) the waiving of interest on the balance due and the amount payable towards Goodwill

(*c*) encouragement in general by placing orders with the Company for the requirements of the Government Departments.

The Government were graciously pleased to allow the company to pay the amount of the first instalment by 31st December 1924 along with the 2nd instalment of Rs.25,000/- which would fall due on the date.

4. Since then the company has been making strenuous endeavours to improve its business; but in spite of its best efforts, it has not been able to meet its obligations as laid down by the Government. Owing to the recurring losses which the Company has sustained during the last three years, the shareholders doubt very much the possibility of attracting fresh capital under existing conditions, when the money market is so tight and the world wide depression of trade still continues. The shareholders have already invested Rs. 1,51,750 in the concern and the repeated losses of the last three years have been a severe blow to them. But they have strong faith in the soundness of the undertaking and they believe that its ultimate success is only a question of time. The industry supplies what may rightly be deemed an article of necessity. There existed at all times a large indigenous trade in brass utensils of various kinds. Hitherto they were all made by hand, but we were the pioneers in using machinery for this purpose. Machine-made goods were a novelty in the beginning, but are now better appreciated and the demand for them is increasing. The goods manufactured by the factory have come to be known as far superior to the bazaar ones though somewhat costlier. We have also succeeded in popularising silver plating, due to the fact that our goods being machine made, the plated articles compare very favourably with the solid silver ones while costing much less. The demand for this class of goods is growing every day and promises to develop well. That our goods will ultimately replace the crude hand-made articles of the bazaar admits of no doubt. But owing to the conservatism of the public the business has not progressed so rapidly as we were led to hope when the factory was started. We calculated that within three years we should be able to capture the market, but in this we have

been over sanguine. As we started with only a limited capital we now find that our resources are nearly exhausted and we find much difficulty in financing the business. Without the sinews of war we cannot fight nor can we hope to hold on. An undertaking which has been in existance for over 6 years, and towards the establishment of which the Government have themselves spent in one way or other a large sum, and which the company is now endeavouring to establish as a permanent industry, is in need of urgent help.

5. A sub-committee of the shareholders presided over by Mr. Puttanna Chetty met a day previous to the last general meeting, looked into the various details and closely examined the working of the Factory. Mr. D'Souza, Director of Industries and Commerce in Mysore and the Manager of the Bank of Mysore, were also present by invitation. As a result of their deliberations, the strictest economy is being enforced, and already signs are not wanting that our present policy is proving beneficial. We have decided to confine ourselves to the manufacture of only those lines of production which meet with ready sale, and to husband our resources. A lakh of rupees worth of goods is being sold per annum, and now that the Government have placed an order for 10,000 sets of seer measures yearly and our name has been registered as eligible for contracts in the Military Department of His Majesty's Government, our position will, it is believed, be naturally improved in the coming years.

6. Our want of success in the past can only be attributed to the general depression and bad luck.

Many concerns that were startad after the armistice have failed, and the failures in almost all cases are attributable to over-capitalisation due to the excessive price paid at that time for machinery and materials and the general depression after the unhealthy war-boom. The Mysore Premier Metal Factory, Ltd., like the rest of the concerns started then, is undoubtedly over capitalised. The price paid for the machinery, buildings, tools and plant is nearly double its economic value. Money has become scarce, and everywhere there has come about a general paralysis in the business world Against such fearful odds the Company has been working for the last three years and is now compelled to appeal to the Government.

7 The Company and the Government both stand to lose heavily if the concern be wound up. That the company has no resources with which to pay its debt to Government is plain, and it is equally plain that fresh capital cannot be attracted in existing circumstances. If the Company should be compelled to go into liquidation, neither the Shareholders nor the Government will be benefited. The machinery and buildings are all that exist by way of asset, and a forced sale will spell complete ruin. This business is one of the important pioneer concerns started by the Government, and if such a fate should overtake it, it will no doubt have a very depressing effect on the people and on trade in general, and the cause of Industrial development in the state.

8. The factory has had a trying time ; but it has gained much experience and it commands a fairly steady market. The technical portion of it is in the hands of our Chairman, about whose ability, experience and enthusiastice devotion it will be unnecessary to say much. All the *Directors including the Chairman have been rendering gratuitious service*, the value of which in other companies is assessable at not less than 30% of the total cost of

management. We venture respectfully to affirm that the Mysore Premier Metal Co. has a strong claim upon the sympathy of the Goverment in having come boldly forward to take over a new and untried concern and managing it against fearful odds these years past at a great sacrifice of money and time. Each of 50 shareholders has invested sums varying from Rs. 2,500/- to 10,000/ each, and the Chairman of the Company has in addition contributed his whole time and attention to its affairs during these years.

9. The Government have always showed a willingness to help those who helped themselves and the case of the Metal Factory stands second to none as a fitting object for Government aid.

With the Government as co-partners a struggling industry will be put on a sure footing. The Government and the shareholders may then look forward to a return on their capital, and the Mysore Premier Metal Factory Ltd., may one day attain the position now occupied by the Indian Aluminium Company in the sphere of aluminium goods.

The Mysore Tannery owes its existence to the munificence of the Government, and the Government did not hesitate to become co-partners even though the subscribed capital was only about Rs. 66,000. But in the case of the Premier Metal Factory the subscribed capital is nearly twice as much. In the case of the Tannery the Government gave hard cash, but the Mysore Premier Metal Factory Ltd., is not asking for cash. Government have out of its own accord invested a large sum in machinery long before the Company came into existence. When the company took over the business it paid at once a lakh of rupees to the Government and it now prays that the balance of 1,19,015-0-0 may be converted into shares in the Company. That it did not make this proposal even in the beginning is attributable to the wave of optimism that prevailed at the time when the Company was launched. It overestimated its resources ; and to put it in plain words it made a "Bad Bargain".

10. The Mysore Premier Metal Factory has at the same time been instrumental in helping the starting of another important Industry in the State.

The White Lead Factory. of which the Government are no doubt aware, owes its existence in no small measure to the facilities afforded by the Mysore Premier Metal Factory Ltd. A good portion of the machinery was manufactured by the Metal Factory. and the two factories are co-operating to their mutual benefit. This later factory is already turningout white lead to the value of a lakh of rupees a year and it occupies the major position in its own field of business and bids fair to become the *Premier Factory* for the manufacture of white lead in India.

That one industrial concern helps to bring about others has been aptly demonstrated.

11. All over India there is a deep and continuous cry for protection and for help for struggling industries. The measure of aid that the Metal Factory is now requesting from the hands of Government is not unreasonable. Other Governments are contributing even more largely. We do not ask for help in the form of cash. We only pray that the Government should accept shares in the Company to the value of the machinery, *viz.*, Rs. 1,19,015 seeing that the machinery by itself has little or no value unless the business thrives.

7

G.R.S. VI G 34]

SUBJECT.....

.....

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Diary No. of letter replied to.....

Section J+C

File No. 165-24

Serial No. 8

General and Revenue Secretariat

( )

, *the* 192 .

Proceedings of the Government of His Highness the Maharaja of Mysore

Date of issue.... 6/7/25

Signed by.....

Lt.

Read—

G.O.No. 5688-9 J+C. 13.6-22-7 Dy 15.3.23, directing that the Mysore Premier Metal Factory may be handed to the Bank, the balance of Rs 82,784-1-8 due by them, for the transfer of the Metal Factory, in three annual instalments as noted below:—

Rs 32784-0-8 on 31-12-23
Rs 25000-0-0 on 31-12-24
Rs 25000-0-0 on 31-12-25—

2. G.O.No. 6503-4 J+C 17-23-12 Dy 21.4.24,

May this be

i Printed ?

ii treated as a standing order ?

iii published in the Gazette, English Part ?

iv translated ?

v placed at the disposal of the press ?

vi published in the Gazette, Kannada Part ?

Flag I

permitting the factory
to pay the first instalment
due on 31-12-23, along with
the next instalment due
on 31-12-24 and declining
to grant the request of the
Company to waive the
interest due from them and to exam
the price of the good-will
of the concern.

3. Representation no 415
dy 7-4-25 from the Chairman
of the Board of Directors of
the factory for the grant of P.V.D
certain concessions in the
matter of the repayment
of the loans due by them —

List of enclosures.

order no. [illegible] dy [illegible]

In August 1921 the
Bangalore Cycle Metal Factory
was handed over to
the Premier Metal Factory
Ltr in G.O no 5860-1, dy
and ~~in G.O no 5860-1~~
Ltr 32-21-11 dy 22.5.1921
~~Ltr 32-21-11 dy 22-5-21,~~
The fixed assets, finished
stock, goods in process and

Copied by

Examined by

WD 1888—GPB—1,000,00—21-12-21

Ltr by K

G. R. S. G/33]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

the good will of the Concern which valued at Rs 1,62,300 and the Company which had by that time paid Rs 1,00,000 was required to pay the balance of Rs 62,300 in two instalments. Subsequently a sum of Rs 23,040-14-8 being the value of two pumps which had been handed over to the Company by the Govt., was added to the value of the fixed assets referred to above, and the Company had thus to pay Govt Rs 85,340-14-8. On a representation Subsequently made by the Company, a rebate of Rs 2556-14-0 on the valuation of the blowing was sanctioned, under assets G.O No 4767-68 Dt-c 136-22-4 dy 31-1-1923

Flag R.

WD 2230—GPB—1,00,000—23-7-20

E & O

and 5372-3 dt 136-22-7

dy 27.2.23 and the balance

of Rs 82,784-0-8 was ordered

to be recovered in 3 equal

instalments, according

to the dy 15-3-22 read

also.—

2. The company did not

pay the first instalment

due in Dec. 1923, and

in Feby 1924, they requested

to grant that the factory

had been working at a

loss ever since it was

taken over from Govt.

owing to the fall in the

price of the metal & other

initial difficulties

& prayed that time might

be allowed till end of June

1925 to pay the 1st instalment,

That the interest on the dues

to Govt may be waived

& that the amount payable

G. R. S. G/33]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

Flag,

towards good will might also be exercised in their order of 21.4.24 read above, Govt permitted the Company to pay the 1st instal due on 31.12.23. ment / along with the Second instalment payable on 31.12.24, but declined to sanction the other two requests x. the waiver of interest and the force of good will.

3. The Company have, however, not made any payment like now in accordance with the above order but have submitted ~~and~~ to Govt. representation / stating that / the Company is still working at a loss, they are not in a position to make any payments at the present as the concern is still working at a loss

WL 2230—GPB—1,00,000—23-7-20

Hon'ble Govt may /

accept the amount due viz., Rs 1,19,015/-
to them in the form of
fully paid up shares
in the Company instead
of, in cash. (Govt has not
also agreed to consider
payment of
the Company to accept the loan in the form of shares, will
The Govt requested as it stated
(practically make them
partners in the concern
which has already been
handed over to private
enterprise, that they, having
in view the circumstances referred to
consider, that some concessions
are necessary in respect
of the Repayment of the
amount due to Govt.
in such in respect of the first loan
like an interest thereon
They are accordingly pleased
to direct that the interest
on the balance of the purchase
viz., Rs 82,784/-. for a period of three years
may be waived and
that the time for the payment
of the dues be extended,
the first instalment
as stated below:—

This amount is made up of two loans
1) Rs 82,784/- representing the balance of the value of the cursa purchased by the Company
2) Rs 36,231/- the value of machinery which the Company took over on hire purchase terms, from Govt.
Govt consider that the second loan is an independent transaction and that there are no grounds for granting any concession in respect of it. They are also not prepared to accept the repayment of the loan in the form of shares in the Company and thereby become practically partners in the concern.
Govt consider however terms in view the present condition of the concern & is deserving some concession.

G. R. S. G/33]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

1st Inst. Rs 32784-0-8 payable on 31/12/25
2nd " Rs 25,000 " 31.12.26
3rd " Rs 25,000 " 31.12.27

Sent Rec Docts

To

The Director of
The Comptroller Mines & Depts
The Chairman BD of Dirs
P. Metal Factory
Bangalore.

WD 2230—GPB—1,00,000—23-7-20